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REPORT

**On the Desirability
of Establishing
Throughout the
Dominion a Com-
plete System of**

Meat Chilling,

Packing and

Exporting.

REPORT

On the Desirability

Of Establishing Throughout the Dominion

A Complete System of

Meat Chilling, Packing and Exporting

The following report is the outcome of a strong and very general feeling existing amongst ranchers and farmers throughout Canada, particularly in the Western portions of the Dominion, that radical measures are necessary in order to improve the position of the stock raising industry, by providing a stable and remunerative market for the surplus stock of the country, and so stimulating the production of cattle and hogs in greater numbers and of better quality, with direct benefit to all engaged in ranching and farming, (the principal industries of the country) and indirectly with advantage to the whole community. This feeling which exists, and has existed for some time past, took definite shape by the appointment, during the Dominion Fair at Calgary, of a Committee formed for the purpose of approaching the Dominion Government, and urging the establishment of a thoroughly organized system of meat chilling, meat packing, and meat exporting throughout the Dominion, as a means of securing a share of a valuable export trade, which has proved a source of immense wealth to other meat producing countries, and also with the object of building up within the Dominion a valuable industry, the far reaching benefits and immense importance of which it is difficult to over estimate.

COMMITTEE

FRANK W. WHITESIDE, CHAIRMAN

President Central Alberta Stock Growers' Association.

JAS. WALTERS

President Alberta Stock Breeders' Association.

R. G. MATHEWS

Secretary Western Stock Growers' Association.

E. J. FREAM

Secretary Alberta Farmers' Association.

E. G. PALMER

Cold Storage Expert

E. J. GREENSTREET

Hon. Secretary.

REPORT

The Honourable Sydney Fisher,
Minister of Agriculture, Ottawa.

Sir,—In submitting for your favorable consideration the following report dealing with the present position of the live stock industry in Canada, and suggesting measures for placing it on a better and sounder footing, we propose to deal with the subject at some length and in the following order:

The necessity of providing a stable and remunerative market.

The failure of existing methods to achieve the desired result, and some of the reasons why a thoroughly modern and scientific method has not yet been adopted.

Methods adopted by other meat producing countries for disposing of their surplus, encouraging the industry, and some of the results of those methods.

An examination as to how far the system and methods of other countries can with advantage be applied to Canada.

Recommendations for adoption in this country.

Approximate cost of establishing a thoroughly organized system of meat chilling, packing and exporting throughout the Dominion, an estimate of returns, and the financial problems in connection with the establishment of the industry.

Benefits to the producer and country generally and recapitulation.

Necessity
for improv-
ing position
of Stock
Raising
Industry

In dealing with the first point, viz., the necessity of some measures being taken to place the stock raising industry on a sounder and better basis, by providing a more certain and remunerative market for cattle and hogs, we think it can be shown without much difficulty that need for improvement exists. The joint appointment of the Beef Commission by the Provinces of Manitoba and Alberta, and the recent appointment of the Pork Commission in Alberta, is strong evidence in support of the fact that conditions generally relating to the live stock

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industry are not satisfactory, and the testimony given before the Commissioners shows conclusively that the want of a steady market, free from extreme fluctuations, is the principal cause which is affecting prejudicially the ranching, and farming industry throughout Canada and retarding to a great extent the development of the whole country.

There is no doubt that the number of cattle and hogs throughout the West is not in proportion to the area of land taken up, and the increase has not kept pace with the development and settlement of the country; this is largely owing to the enormous fluctuations in price and consequent uncertainty of being able to dispose of stock at a price that will even cover the cost of production; many ranchers and farmers have to a great extent gone out of the stock business, owing to this cause; they have become disheartened and given up all attempts to bring their farms and ranches to the highest producing state as regards stock raising, and have in many cases confined their attention almost entirely to the production of grain to the neglect of mixed farming. The ill effects of such a course are obvious, and the injurious results on a country depending mainly on farming are very marked, and are undoubtedly being felt throughout the Dominion.

In support of the above general statements, we beg to refer to the evidence given before the Beef Commission, and also the evidence taken by the Pork Commission, the whole tenor of which, as far as the evidence of ranchers and farmers is concerned, goes to bear out these conclusions. It will probably be sufficient to give a few specific instances. In evidence taken before the Beef Commission, Manitoba, Mr. John W. Parker who has lived at La Salle for 25 years, in speaking of the price obtained for cattle said:

"They are offering 2½ cents and 3 cents for beef, and there is no man that will raise animals for that. To raise beef at that price is suicidal. To-day there are large farmers who used to keep a large stock in that country, now they have not even a cow. There is ten times the population and not one-tenth the stuff here that there was 25 years ago."

Q. You state that as a fact that the farmers are going out of the business.

A. Yes.

Q. Give the names of some of these farmers in your municipality of Macdonald.

A. I do not think that there is a single stock farmer in the whole of that district now. I am in it still unfortunately.

Evidence of Kenneth McIvor taken at Brandon on 1st and 2nd August, 1907.

Q. The Commissioners will want to report as far as they can on the propriety of the Government considering certain proposals they may make; can you be of any assistance to them?

A. The question is a very wide one. If we got fair value for fat stock

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we would be able to put the stock question on a different footing. We would be almost able to export as much beef as we export wheat; because a farmer in this country is not farming unless a man keeps enough stock on his farm to consume the coarse grains and straw. If every half-section was fattening ten or fifteen steers each year, see the enormous amount we would have for export. So that if we had a rate to the Old Country cheap enough, we should get a fair value for our stock in a very short time.

In the report of the Beef Commission where the conditions are analysed and the testimony of the different witnesses weighed, the following words are used:

"We find many producers reducing their herds, while others are going out of stock-growing altogether."

In the report of the Beef Commission in Alberta in June and July 1907 we find the following remarks by the Commissioners:

Beef Commission in Alberta
 "We have made an exhaustive investigation of the meat industry in Alberta, and we find that there is a universal complaint that it is not on a paying basis. We have heard the evidence of most of the large cattle raisers in the Province, many of whom we have found to be very familiar with exporting conditions, and with the exception of one or two who are favorably situated, their evidence goes to show that there is something seriously wrong. Almost without exception the small shipper has exported at a loss."

"Throughout our sittings in the southern part of the Province, there were many witnesses who advanced the argument that the establishment of a chilled meat trade with the Old Country was the proper method by which to solve the export problem. We are given to consider the views of one, Dr. Duncan McEachern as those of a man who carries considerable weight. Dr. McEachern has been manager of the Waldron Ranch since 1883, a veterinary surgeon by profession, and has occupied high positions throughout the Dominion of Canada. He was at one time surgeon in Montreal Veterinary College, dean of the faculty of comparative medicine, McGill University, Chief Inspector of Stock for the Dominion of Canada, having organized the quarantine system and conducted it for 25 years. Dr. McEachern states that for a number of years he has been greatly interested in the establishment of a chilled meat trade, but he believes that the difficulties in the way are insurmountable. The sum total of his lengthy argument is that the capital necessary would be enormous. Nevertheless he states that if a dressed meat trade could be established successfully, it would be a great benefit to the producer. It would increase the value of his cattle easily from 25 to 30 per cent. He is of the opinion that if the Government would undertake the enterprise, and could see their way clear to bringing it to a successful issue it would mean the placing of the meat industry of Western Canada on a new basis."

"Undoubtedly there is considerable in favor of the chilled meat system. In the first place there would be the advantage of shipping the carcass to England in a dressed form, which would cost considerably less than shipping on foot, and would do away almost entirely with risk. Our meat would not be in a bruised condition as a result of the abuse the animals are subjected to incident to the long train haul. If the system were brought into operation it would do away entirely with the present

grievances of the shipper. We are told by some that the chilled meat sells for as high a price as that which is offered in the fresh form. Others tell us that it will sell from 1 to 2 cents per lb less. Dr. McEachren states that the English people would prefer it infinitely if all the beef we supply from this country would come in that chilled form."

"We regret to state that our investigation in this matter has not been sufficiently complete to warrant us making any recommendations. We would respectfully ask your consideration of the advisability of further investigations.

"We commend it as a subject worthy of investigation in every detail."

In dealing with the unsatisfactory state of the pork industry, and the unwillingness of the farmers to go in for hog raising owing to the lack of confidence in a market, the Commissioners say:

"We believe that this is a matter which should engage the immediate attention of the Government. Thousands of tons of cured meat are being imported from the United States yearly and sold at ridiculously high prices. The money is going out of the country when it should and may be kept here.

Alberta
beef com-
mission
report

"We found an absolute dissatisfaction among the producers of pork, due to a lack of confidence in the market. There has been times when the prices have been high, sufficiently so to encourage farmers engaging extensively in the industry, and when a large number of hogs came on the market the price dropped down to a figure below the cost of production. This condition of affairs has been repeated several times in the past decade, so that at the present time the farmers, while anxious to engage in the business will not venture because of the uncertainty of the market."

At a sitting of the Pork Commission in Edmonton in July, 1908, as reported in the public press (the report of the Commission being not yet available) the following appears:

Alberta
pork com-
mission
now taking
evidence

"W. J. Jackman, secretary of the East Clover Bar branch of the A.F.A. was the first witness. His evidence was to the effect that the farmers of Alberta would have to go out of the hog business if the present conditions were not remedied.

Q. Do you think the Government should undertake a pork packing plant? asked chairman Wallace.

A. Yes, replied Mr. Jackman. Farmers are without capital as a rule, and could not be expected to enter on an expensive co-operative scheme.

Q. Do you think such a plant would increase the number of hogs?

A. Certainly, 3000 hogs would be raised in Clover Bar, where there are only 300 now.

Q. What effect would the raising of more hogs have on the general farming conditions?

A. More grain would be raised, especially barley and this would be conducive to cleaner farms.

Thos. Daly's evidence before Pork Commission at Edmonton July, 1908.

Q. What do you think to be the cost price of producing pork?

A. From 4 3-4 cents to 5 cents per lb.

Q. Is this enough to warrant you staying in the business?

A. No.

Q. Is there any method whereby conditions could be remedied?

A. Erect an establishment to produce bacon for foreign markets. Farmers will not stay in the business unless a steady market is guaranteed.

Q. Do you consider the prevailing low prices the chief reason for farmers going out of the hog business? asked Commissioner Bower.

A. Undoubtedly, since hog raising is the most profitable live stock industry if prices are right.

Evidence of John McKinley, farmer of Spruce Grove, given before Pork Commission in Edmonton, July, 1908.

Q. Is the hog business profitable with fair prices? inquired the Commission.

A. Yes, the business can be undertaken with very small capital. It would be conducive to cleaner farms, by causing larger crops of barley and roots.

Q. What in your opinion demands the most encouragement on the part of the Government in Alberta agriculture?

A. Attention to the needs of the hog industry would meet with the strongest approval. Emphatically affirmed Mr. McKinley.

R. G. Ottewell's evidence before Pork Commission. Mr. Ottewell of Clover Bar showed up the cost of raising hogs in proportion to the market price obtainable, and gave this as his reason for dropping out of the business. In past years he has raised 300 hogs in a year, now he has 20.

Mr. W. F. Stevens, Live Stock Commissioner for Alberta, in evidence given before the Pork Commission.

Q. Would the yield of hogs increase if a fair price were forthcoming.

A. Yes, the quantity of hogs would be quadrupled.

In further proof of the urgent need that exists for improving the stock raising industry, we may point to the addresses of Mr. Duncan Anderson, in which he refers to the wholesale spaying of heifers and deploras the existence of conditions which tend to reduce rather than increase flocks and herds.

As showing that the serious position of the stock raising industry indicated above, is not likely to materially improve in the near future by the establishment of packing plants erected by private enterprise, we may quote a resolution passed by the East Clover Bar branch of the Alberta Farmers' Association, at a meeting held on the 30th Nov., 1908. This resolution which was passed unanimously and a copy ordered to be sent to the Pork Commission, reads as follows:

"Whereas, it was contended that the new packing house erected by the J. Y. Griffin Co. would remedy the grievances for the farmers with regard to the prices of beef and pork; we desire to call attention to the fact that this plant is now in operation and so far from having provided a remedy, the condition of things is worse than ever, the price paid for best light hogs at the present time being so low as 4 1-2 cents a lb., and beef being bought for 1 1-2 cents a lb., to be kept in a frozen condition until spring, when it will be put on the market in competition with stallfed beef; and it has been brought to our notice that pork has been imported from Chicago, cured at the packing plant in Edmonton, and then shipped to British Columbia and the Yukon as Alberta pork."

It is unnecessary to dwell on the immense importance of mixed farming to a country such as this, the benefits being well known. It would enable coarse grains which can be produced cheaply, to be utilized to the fullest extent for fattening stock, and damaged or frosted grain of which there will probably be a small proportion until settlement advances and the country is more opened up, could be turned to good account by being fed to stock, experiments having proved that the fattening qualities of such grains are but slightly impaired; it would also be the means of providing employment for labor on the farms more continuously throughout the year, and assist in the disposal of and turn to profitable use straw and other material which is now wasted. We feel confident that if a market could be assured say at 5 1-2 to 6c per lb for prime hogs, and at 4 1-2 to 5c. for well finished cattle in the West, with proportionately higher prices in the East, corresponding to the saving in cost of transportation to the larger and more important markets, an enormous stimulus would be given to the industry. Farms and ranches would be brought to their highest producing state, and vast numbers of cattle and hogs would be raised, resulting in increased wealth, and the whole farming and ranching industry—the main stay of the country—placed on a better and sounder footing.

Evidence of Prof. G. E. Day, of the Guleph Agricultural College before the Pork Commission, Edmonton, July, 1908.

Asked the specific question as to whether Alberta could produce hogs for the British markets, Prof. Day said it could be done provided breed and feed were right. He thought the feed proposition in Alberta was much the same as in Ontario. There with a reasonable price for the finished hog, the farmer found one of the most economical methods of disposing of his barley and other grains, was to convert them into pork as quickly as possible.

The Chairman stated that what the Alberta farmer wanted was a fair price for his hogs, and the assurance that the demand will be constant.

Failure of
existing
methods

Having referred to the necessity of a suitable outlet for stock, a necessity we believe to be very real, and having outlined some of the advantages which we are convinced would result to the whole stock raising industry, and the country generally, if a better market could be assured; we will now deal briefly with the reason why the existing method has failed to meet the case, and has consequently failed to place the industry on a sound and satisfactory basis.

Present
system of
marketing

One of the first requisites for any country such as this, which is producing, or is capable of producing, meat animals largely in excess of its own requirements, is a ready and convenient means of disposing of its surplus, either as live animals, or as dead meat and packing house products, in the large centres of population, and important meat markets of the world. Up to the present the only manner in which this has been attempted in Canada on a large scale, and in an organized way, as regards cattle, has been by transporting long distances and exporting on the hoof; in handling hogs also this same method of transportation has been largely adopted, with the result that districts distant from important market centres, and which are not provided with packing house facilities are in an unfortunate position as regards their products, and consequently have no other means of disposing of their stock. The disadvantage of this method for the individual producer can, we think, be clearly defined. It is impossible for him to get directly in touch with the larger and more important markets; in the export of live cattle to the British market for instance, the means of reaching it by that method are so tortuous, involve so many and varied operations, and the whole system generally is so hedged round with difficulties, delays, and risks, that it is practically impossible for the ordinary rancher or farmer to adopt that method of marketing his stock himself with any certainty of success, and the business can only be carried on by firms who are particularly strong financially and able to stand the heavy losses that sometimes occur. In evidence taken before the Beef Commission, a large exporter of live stock stated, that it was often impossible to figure out the result of a shipment of live cattle, that loss after loss would sometimes result, perhaps to the extent of \$50,000 before a profit was made, and that it was only by staying with the business that he was able to come out on the right side in the long run. The above factors all make for extreme fluctuations in price, and tend to throw the business into the hands of a few; and even if the producer is able at times to obtain a remunerative price under this system, it seems certain that at other times he will be compelled to take for his stock a price that will hardly cover the cost of production; this certainly has been the case with the stock industry in Western Canada in the past, and there is no indication that the existing method is likely to result differently in the future.

Objections
to present
methods

If the above is a fair statement of the position of this important industry, as we believe it is, it will probably be asked why, if the live cattle export trade has failed to provide a stable and satisfactory market, other methods of handling and exporting have not been substituted long before this, or at any rate adopted in conjunction with the present system. The answer to this question, which is a perfectly reasonable one, is not far to seek, and the explanation appears to be as follows: The few large firms engaged in the live stock export trade, undoubtedly find that the business, even if accompanied by certain disadvantages and risks, suits them on the whole very well; carried on as it generally is in conjunction with a local

meat business, it secures to a great extent the control of the cattle trade, and consequently no other methods are likely to be advanced by those already in the business, particularly as the modern systems connected with the production, handling and transportation of refrigerated meats and packing house products, require a large amount of capital, and considerable technical skill in order to conduct them successfully. That there is a veiled opposition to the establishment of the system we are advocating, on the part of those engaged in, or connected with the live cattle export trade, is strikingly evident from our investigations and the evidence we have obtained from various sources.

It is almost impossible for individual effort to establish a thoroughly organized and up to date system of handling the dead meat trade, with its many and various ramifications; the application of refrigeration and cold storage to the preservation and transportation of meats and other perishable products, modern methods of dealing to the best advantage with the various products of meat animals, and recent scientific methods of turning to account and profitable use the various by-products, necessitates the expenditure of a large amount of money, and requires experience and expert knowledge of a very high order for successful operation. To attempt to carry out on small scale, and in an incomplete way, some one or two of these operations, without dealing with the subject comprehensively, and in all its details, would undoubtedly result in failure and disappointment; and that is probably the reason why this method has not been adopted more widely in the past, and has not yet played any important part in providing a market for the live stock products of ranch and farm.

Difficulty
in adopting
modern
methods

One of the reasons for the failure of the few attempts that have been made to develop a dead meat trade, is due to the business having been looked at too narrowly, and our investigations point to the conclusion that, neither chilling, pork packing, canning or any one of the many operations connected with the dead meat trade is by itself sufficient to effect the result aimed at. Meat chilling and exporting must be considered together with the whole packing house business and the development of the dead meat trade generally, and the industry must be looked at broadly, and as a whole, if anything of permanent value and lasting benefit to the country is to be accomplished.

We consider this report would be incomplete without a review of the methods employed by other meat producing countries of disposing of their surplus stock; and we believe that any recommendations brought forward for adoption by this country, would lose much of their weight unless made with a full and complete knowledge of the various details of the meat trade in other parts of the world, and with due appreciation as to how far the best methods of other countries are capable of application to existing conditions in Canada. We shall therefore give briefly some details and particulars relating to the industry in the five principal meat producing, and meat exporting countries, viz., New Zealand, Australia, the Argentine, the United States and Canada.

Methods
adopted by
other
countries

In making these and other comparisons throughout this report, we have no desire to detract from the phenomenal strides which have been made by this country in agricultural and other pursuits, but do so merely for the purpose of emphasizing the importance of this particular industry, and also with the object of assisting to arrive at sound conclusions regarding same.

New Zealand and Australia

Beneficial results

There are two distinct methods by which cattle and hogs raised by the farmer can be marketed; one is by transporting alive, and the other by slaughtering comparatively near their own pastures, and sending the finished product to the markets of the world as refrigerated meats, and the various products of the packing house. Most of the above countries adopt both methods, or have at some period of their history exported their surplus stock as dead meat, and also as live cattle and hogs, and it is therefore instructive to examine the results with the object of ascertaining which method of the two has proved the more profitable and successful. In New Zealand and Australia the live cattle trade never assumed large proportions, both countries are too far away from the meat markets of the world (the most important of which is the British market) to make a trade in live cattle a profitable undertaking, and consequently for many years these countries had practically no outlet for their surplus stock. The advance of science, recent improvements in refrigeration and cold storage, modern packing house methods, and improved means of transportation, however, changed conditions considerably, and provided a modern, scientific, and up to date system of handling and marketing meat animals, of which these distant portions of the British Empire were not slow to take advantage, with the result that the whole of the farming and ranching industry in New Zealand and Australia was placed on a sounder and better footing, and a wonderful impetus given to the breeding of sheep, cattle and hogs; farms and ranches were brought to a higher producing state, land values were consequently increased, and those countries generally, greatly benefited.

Advantages of chilling.

As the direct result of refrigeration the trade in frozen meat alone from Australia and New Zealand has grown during the last twenty years or so, from nothing to a value of about \$25,000,000 per annum. In connection with this trade, however, we must point out that those distant countries, although they can produce meat cheaply, cannot compete with Canada in CHILLED beef, for the simple reason that, owing to the time required in transit, all their meat has to be HARD FROZEN and cannot be transported in a chilled state, the result being that they cater to an entirely different trade, FROZEN beef fetching about 50 per cent less on the British market than the CHILLED article. We wish to emphasize this point as showing the immense advantage possessed by Canada, in being the only portion of the British Empire able to export her surplus meat to Great Britain in a chilled state. This country has the further advantage of being in a position to cater to the British demand for mild cured bacon, owing to her proximity to that market.

The Argentine

To deal next with the Argentine, another meat producing country of great importance, we find a good example of the two methods of exporting, the live cattle trade, and the dead meat trade having been carried on together for a number of years, and the figures showing growth and decline of two systems are particularly interesting and instructive.

Live cattle trade

Taking a period of ten years from 1895 to 1904, both years inclusive, we get the following result: The export trade in chilled and frozen meat increased from \$1,700,000 to about \$17,000,000, just ten fold, while the export trade in live cattle during the same period decreased from about \$7,000,000 to about \$3,000,000. It is true that the great falling off in the live cattle trade is partly accounted for by the ports of the United Kingdom being closed to the imports of cattle from the Argentine in 1900, in order to keep out infected animals; but even before that period the dressed meat business showed a steadier and relatively greater growth than the live cattle trade. In a report issued by the U.S.A. Department of Agriculture (Bulletin No. 39 issued in 1906) dealing with this very

question, viz., the relative advantages of these two methods of exporting, the following words are used:

"Argentina now favors the export of the product of her pasture in the form of meat and meat-products, rather than as live animals."

To deal next with the United States, a country where conditions generally are more similar to our own than in the other countries to which we have referred, we find that the surplus stock of that country is exported both alive, and in the form of chilled meat and packing house products, the two methods being carried on together; both have assumed huge proportions, but even there the chilled meat trade has shown a steadier and relatively greater growth than the live cattle business. From this fact we may fairly assume that there are certain advantages in that system of handling and therefore it has proved the more satisfactory and profitable of the two. Taking a period of eighteen years from 1890 to 1907, it will be seen that the live cattle trade increased from \$31,260,000 in 1890 to \$34,570,000 in 1907, and during the same period the dressed beef export trade increased from \$12,860,000 in 1890 to \$26,360,000 in 1907. In connection with these figures it must be noted that the dressed meat export trade refers to chilled beef ONLY, and no account is taken of the various packing house products which are handled and exported in conjunction with a trade in chilled beef. Such an industry is of course always carried on and operated together with a general packing house business, where both cattle and hogs are handled and treated in the most suitable way for the particular class and quality of animal offering. The products from such an establishment are very varied, and their value, where operations are conducted on a large scale, is enormous: they include canned and cured beef, bacon, canned, cured and salted pork, lard and lard compounds, tallow, lard oil, sausage meats and sausage hides, skins, bones, hoofs, horns, hair, etc., etc. The immense importance and far-reaching nature of this industry will be realized when it is mentioned that the total value of packing house products exported from the United States in 1907 amounted to \$203,500,000.

In order to emphasize the immense importance of the dead meat trade and general packing house business, and as a means of showing the far-reaching effects of such an industry, we will again quote from a recent publication issued by the United States Department of Agriculture dealing with the meat supply and surplus of that country. The report commences by giving the value of the meat animals on United States farms and ranges as about \$2,200,000,000 and then goes on to add:

"Not only are the prices of meat animals directly affected by the marketing of the national surplus of meat, but likewise the farms and ranges on which they are raised. The value of live stock farms and ranges was estimated by the Bureau of Statistics of the Department of Agriculture in 1905 to be \$7,951,000,000 by adding to the census valuation the increase of the succeeding five years. To the value of meat animals and live stock farms and ranges should be added the value of implements and machinery on such farm and ranges, or \$235,500,000. Then there is a large amount of capital invested in wholesale slaughtering, meat packing, lard refining, and oleomargarine establishments which was determined by the Bureau of the Census to be \$238,000,000 in 1904. The sum of the foregoing items of capital directly affected by the export of the national surplus of meat is \$10,625,000,000, and this capital is directly

The United States

Packing house business

Value of the industry.

Bulletin No. 55, Oct. 25, '07.

dependent upon such disposal for its profitable use and indeed for the integrity of its investment."

Magnitude
of the
interests
involved

"Better to understand the magnitude of the interests involved in the maintenance of meat exports, comparisons may be made with other aggregates of capital and classes of wealth. The capital directly related to meat production for export \$10,625,000,000 is five-sixths as large as all capital invested in manufacturing in 1904. It is barely under the figures representing the capitalization of the net earnings of steam railroads, estimated by the Bureau of the Census, June 1st, 1904, it is a little greater than the estimated true value of all property situated in the South Central division of States in 1904, as also of all the property situated in the Rocky Mountains and Pacific regions. It is more than one billion dollars above the value of the real estate and of the implements and machinery of farms devoted chiefly to producing cotton, fruit, rice, sugar, tobacco, vegetables, and to general farming; or more than twice the estimated true value of street railways, shipping, water works, telegraph and telephone systems, electric light and power stations, pullman and private cars and canals in 1904."

These figures give some idea of the vast extent and far reaching nature of the industry, and we quote them as showing the necessity of looking at the matter in a broad way, and as indicating the need of examining the subject, not in a narrow spirit, but in all its bearings, and particularly with regard to its influence on the future prosperity of this country.

Conclusions
from
experience
of others

The conclusions to be drawn from this brief study of the methods adopted by other meat producing countries for disposing of their national surplus, appear fairly obvious, and it seems perfectly clear, that the dead meat trade has proved the more satisfactory and profitable method of the two. This is indicated by the fact that where the two systems have been carried on together, in every case the export trade in dressed meat shows a greater and steadier growth than the export of live cattle, and it also has the additional advantage of enabling the countries adopting it to build up within their own territory a valuable industry in the shape of a general packing house business. If further evidence be needed on this point a statement by Mr. H. R. Rew, one of the assistants secretaries of the Board of Agriculture of Great Britain, and published in a volume of Agricultural Statistics issued on 20th August of this year, will go far to supply it, Mr. Rew says:

"It seems highly probable that the dead meat trade will continue in the future to increase year by year with the ever growing requirements of our population, while the over-sea transit of live animals may be expected to diminish and eventually to disappear as a relic of an age of imperfect economic development."

These words occur in a publication dealing with the meat supply of Great Britain, compiled by one who has made a special study of the subject; they are supported by the figures we have already given showing the decline of one trade and the steady increase of the other, and the logical conclusion is that those countries which are establishing and developing a dead meat trade, will secure the lion's share of Great Britain's business, which country furnishes the best and most important meat market in the world.

Let us now examine Canada's place as a meat exporting country, with the object of ascertaining how far she is in a position to secure a share of this valuable and steadily increasing trade, thereby adding to the national wealth and prosperity of the country. She alone of these meat producing countries has confined her attention almost solely to exporting on the hoof, and for all practical purposes a properly organized trade in refrigerated meats is non-existent. For various reasons, some of which we have indicated, she has neglected a branch of the business which other countries have found highly profitable, and which consequently they have pushed with energy and established firmly.

The result of this policy is that Canada is not reaping the benefits of a valuable trade, and her position in this respect, if she keeps to the present method of disposing of her surplus stock, is likely to become worse and worse as time goes on. That must inevitably happen if Mr. Rew's conclusions are correct.

Another result of relying entirely upon the present method of exporting live stock, is that under that system it is impossible to establish and build up on sound lines, and on a large scale, within the Dominion a general packing house business, the immense importance and value of which we have already referred to.

Let us now apply another test to Canada's method of exporting her surplus stock, and let us examine that trade, not in comparison to the development of the dead meat trade of other countries, but with the object of ascertaining how far it has shown WITHIN ITSELF a healthy and steady growth, and for the purpose of seeing whether the volume and value of that trade has kept pace with the settlement and development of the country.

For this purpose we shall take the returns prepared by the Census and Statistics office, and kindly supplied to us by the Department of Agriculture, Ottawa. These statistics give the numbers and value of cattle, sheep, and swine, exported from Canada in the years 1899-1908, but we shall deal only with cattle as the exports of sheep and swine are comparatively unimportant, both as regards numbers and value.

The total numbers and value of cattle exported from Canada to Great Britain, the United States, and other countries, for the last ten years are as follows:

Year.	No.	Value.
1899	211,847	\$8,522,536
1900	205,524	\$9,080,776
1901	169,279	\$9,064,562
1902	184,473	\$10,663,819
1903	176,780	\$11,342,632
1904	157,414	\$10,424,671
1905	167,102	\$11,360,969
1906	176,030	\$11,656,829
1907	162,141	\$10,932,539 (9 months)
1908	150,993	\$9,301,184

It will be seen from the foregoing figures that the increase during the past ten years has been very slight, and for the last five or six years the live cattle trade has remained practically stationary.

REPORT OF CHILLED MEAT COMMITTEE

The same conclusions must be arrived at when the figures for a period of twenty years back are examined; taking the number of live cattle shipped from the port of Montreal for instance we find the results to be as follows:

Year.	Number.
1889	85,670
1890	123,136
1891	109,150
1892	98,731
1893	83,322
1894	88,635
1895	94,972
1896	96,448
1897	117,237
1898	99,049
1899	81,804
1900	92,180
1901	73,791
1902	77,193
1903	147,216
1904	112,611
1905	118,296
1906	128,160
1907	96,977

Deductions
from above
figures

The deductions to be drawn from an examination of the above figures appear to be evident: it is quite clear that the trade upon which Canada has relied, and is still relying to dispose of her surplus stock in foreign markets, has not kept pace with the enormous development of the country in other respects. It has failed to provide a satisfactory market, and has proved insufficient to encourage and stimulate the production of large numbers of meat animals within the country.

We have already referred to the impossibility of building up an extensive packing house business within the Dominion, as long as Canada relies solely upon the live cattle export trade for the disposal of her surplus stock. It will therefore be instructive to examine how far this statement is borne out by the figures relating to the growth of the existing packing house business, which up to the present has been carried on independently of an export trade in chilled meat, instead of in conjunction with that method of exporting. The following figures show the total value of packing house products exported from Canada from 1899 to 1907, both years inclusive, and are taken from statistics furnished by the Department of Agriculture, Ottawa, they include beef, bacon, hams, mutton, pork, canned meats, other meats and lard.

Year.	Total value of packing house products exported.
1899	\$10,716,143
1900	\$13,415,655
1901	\$13,547,824
1902	\$13,904,261
1903	\$17,196,102
1904	\$16,250,531
1905	\$16,577,346
1906	\$13,911,281
1907	\$9,945,859

Position of
the packing
house
industry in
Canada

With regard to certain products of the packing house (most of which are not included in the above figures) it may not be out of place to mention, as showing the unsatisfactory state of the industry that Canada imports products of the packing house which could and should be provided in the country. For instance the following commodities were imported as well as exported in the proportionate values given below.

The figures are taken from "Trade and Commerce" and apply to the fiscal year, 1906.

	Imported.	Exported.
Glue, glue stock and mucilage . . .	\$257,781	\$6,382
Grease, rough the refuse of animal fat for the manufacture of soap, oils, etc.....	303,907	149,563
Hides and skins (other than fur) hoofs, horns, and pelts....	6,811,267	3,534,889
Lard	653,044	13,511
Lard compounds	35,795	—
Extract of meats	85,223	—
Pork, barrelled.....	821,653	75,337
	<hr/> \$8,968,670	<hr/> \$3,779,682

The above figures relating to value of packing house products exported during a period of nine years, do not show either a steady increase of a healthy growth and indicate a stationary trade, which when considered, in relation to the increase of population and development of the country generally, is really equivalent to a serious decline.

Aschewing the result of divorcing the two industries, compare these figures with the value of exports of packing house products from the United States during the same period, where the business has been carried on in conjunction with an export trade in refrigerated meats.

In the case of the United States there has been a considerable increase, and a comparatively steady growth, the figures being as follows:

Year.	Total Value of Packing House Products exported.
1899	\$172,433,625
1900	\$179,898,782
1901	\$192,485,205
1902	\$196,743,099
1903	\$179,412,354
1904	\$177,441,554
1905	\$170,308,231
1906	\$207,673,774
1907	\$203,453,733

The figures quoted, relating to the present position, past history, and immense importance of a dead meat trade and packing house industry in other countries, and the statistics given referring to the live cattle trade, and the growth and value of exports of packing houses products from Canada, are presented with the object of showing the lines upon which the business seems likely to develop in the near future. We believe they are well worthy of careful study and consideration, as indicating the measures

Future
develop-
ment

that should be adopted to establish firmly an industry of paramount importance, and so secure for this country a fair share of a valuable business and steadily increasing trade.

Danger of
relying
solely on
existing
method

In connection with the live cattle export trade, the only method at present adopted by Canada for disposing of her surplus stock; there is another matter that may perhaps be pertinently referred to at this stage of our report, and that is, the danger always present, even if remote, of having the ports of the United Kingdom closed to the imports of cattle from Canada should any infectious disease show itself in the herds of this country. That actually happened in the case of the Argentine, owing to the outbreak of foot and mouth disease in 1900, and her cattle were prohibited from entering Great Britain. Fortunately for her, she had a well established dead meat trade to fall back upon, and the consequences therefore were not serious. But in the case of Canada should such a thing occur, the results would be disastrous, and an export trade to the value of \$10,000,000 per annum would be paralyzed. It would be impossible for this country to suddenly switch over, as the Argentine did, to the system of exporting her stock as refrigerated meats, for time is necessary to build up and establish such an industry; in the meantime the consequences would be ruinous, and would seriously affect not only the ranching and farming industry throughout the country, but all branches of mercantile and financial activity as well.

Embargo

The failure of the attempt on the part of the Dominion Government to induce the British Government to remove the embargo, shows the strong opposition that exists to the removal of restrictions upon our present method of transportation.

Mr. Asquith, speaking at Levan on Oct. 7th said: "He had always recommended strongly the view that, assuming Canada to be free from disease, and that she could be kept so by reasonable precautions, there was no reason why Canadian cattle should be kept out, but he was sorry to say a very large majority of the present House of Commons were of opinion that no precautions now taken, or likely to be taken, could give reasonable assurance that Canadian cattle were free from disease or possible infection." Sir E. Strathey, speaking at the Dairy Exhibition declared, "That the Board of Agriculture would continue its present opposition to the importation of foreign live cattle."

Without the privilege of grazing or feeding our cattle after landing on British soil, we can never hope to compete with Scotch or Irish beef. On the other hand, even with the embargo removed, we would be continually exporting in the face of the danger of disease. That this danger is no myth, but an unpleasant reality that may have to be reckoned with at any time, is strikingly shown by the recent outbreak of foot and mouth disease in the State of Pennsylvania. The disease is reported from districts widely apart, and prohibitory orders have been issued against the States of New York and New Jersey, in addition to Pennsylvania where the original outbreak occurred.

It seems, therefore, that whichever way the live cattle trade is looked at, a very strong argument can be found for the urgent necessity of providing without delay another method of marketing the surplus stock of the country.

Application
to Canada

We propose to deal next with the question, as to how far the systems and methods adopted by other countries for handling their meat surplus, can with advantage be applied to Canada.

It may not be out of place to give first of all a short account of the history of the industry in its early stages, and the difficulties that were encountered in initiating and building up the trade in those countries, which have now a thoroughly organized and well established dead meat business. It may also not be out of place to give some idea of the financial conditions, under which the necessary works were established, and under which the dressed meat export trade generally has been encouraged and developed in other parts of the world.

Initial
history in
other
countries

The first shipment of frozen meat from the Antipodes was sent from Australia in 1880, but owing to various causes, the principal being imperfect appliances and a general lack of knowledge of the business, the trade made no headway, and indeed the industry was actually abandoned for a time. New Zealand, however, entered the field some years later, and the history of the trade in that country shows a continuous and rapid increase. Refrigerated meats are now one of the principal exports and, as mentioned before, that trade has been the means of stimulating the production of large numbers of meat animals with beneficial results to the whole ranching and farming industry. Cattle increased two-thirds in the nine years from 1895 to 1904, while the flocks of sheep showed no decrease during that period under an annual slaughter of from 25 to 36 per cent. of the total number.

New
Zealand

Profiting by her first mistakes, and taking advantage of the experience gained in New Zealand, Australia again turned her attention to the business, and developed the meat export trade with marked success. With the exception of fluctuations due to heavy losses of stock during years of drought, the trade has shown wonderful growth and has now assumed a splendid magnitude. As in the case of New Zealand it has been the means of encouraging the production of stock of greatly improved quality, and has consequently greatly benefited the pastoral and agricultural interests generally throughout Australia.

Growth and
benefit

The commencement of the dressed meat export trade on the American continent, both in Argentina and in the United States, may be said to date as in Australia and New Zealand, from the introduction of improved methods of cold storage, and the application of refrigeration to the transportation of perishable products by land and sea.

The United
States and
the Argen-
tine

We have pointed out that previous to the introduction of this method of handling and dealing with meat animals, the more distant meat producing countries had practically no outlet for their surplus stock. We have also shown that in the case of the countries nearer the principal meat markets of the world, and which are consequently able to carry on an export trade in live stock, the dead meat trade had to be established in opposition to, or carried on in conjunction with, the more primitive method. We have also traced the development of these systems, with the object of ascertaining which of the two has shown the more vigorous growth, and therefore which method is likely to prove of greater and more lasting benefit to the country adopting it.

The financial conditions under which the dressed meat industry was established in the countries referred to, differ very considerably; the manner in which the necessary capital was found to build works, provide machinery, and generally initiate and carry on the business, is of great importance, as bearing on the future control of the trade and as showing the manner in which the vast wealth created has been used and distributed, and to what extent a fair share has been secured to the producer. These

Financial
Problems

questions provide a valuable object lesson particularly to a country such as this not yet committed to any definite plan, and therefore in a position to adopt the best characteristics, and avoid the worst features of the trade as developed and conducted by other countries.

The greatest and most marked difference in the financial control of the meat export trade, and packing house industry, in the Australasian colonies, in the Argentine, and in the United States, is undoubtedly shown by the manner in which the business is conducted in relation to the producer; in other words, the part played by the rancher and farmer in establishing, and carrying on the business, and consequently the extent to which he participates in the wealth produced.

Central-

Another point of difference is found in the way in which certain countries have centralized, and others decentralized the business; in some cases operations have been confined to few centres, and conducted at such points on a large scale; in other cases a greater number of smaller works have been more widely distributed over the stock producing portions of the country and the various operations connected with the business carried on at more points, but on a smaller scale.

Control of the

The United States and the Argentine provide examples of countries where the meat industry has been centralized; and also examples of countries where the dressed meat export trade and packing house business has been established and carried on by comparatively few firms. The interests of those engaged in this business are not closely connected with the interests of the producers. Except as regards obtaining the necessary supplies of cattle and hogs at prices that will enable them to handle the business, and market the finished article at a profit; the interests of the two may be said to be diametrically opposed. The large firms now controlling the packing house business and meat export trade of the United States centralized principally in Chicago, which for many years remained the only large market for live stock. Of late years, however, it seems to have been found that centralization, although possessing certain advantages in the way of economical handling, can be carried too far, and the result has been that stock yards and packing plants have been established in other centres nearer the stock producing districts. In 1871 stock yards were opened at Kansas City, and afterwards the business was extended to other points as follows: St. Louis in 1874, Sioux City in 1877, South Omaha in 1884, St. Joseph in 1898, and in recent years packing plants have been established in Texas, and arrangements completed for building up the Pacific Coast near Portland. The few firms instrumental in building up the industry in the United States, now control practically the whole of this vast business; they have amassed great wealth, and obtained immense power with the growth of the trade. The group known as the "BIG SIX" control very largely, not only the packing house business of the States, and the export trade in dressed meats and packing house products, amounting to an annual value of over \$200,000,000 but they have also acquired a monopoly of the refrigerator car service, and indirectly by that means, they control to a great extent, the trade in fruit, and other perishable products.

Trusts and monopolies

There is of course always a danger that such enormous wealth, and power, in the hands of a few, may at times be used to influence trade to their own advantage, and to the prejudice of the producer. It is only necessary to point to the alarm caused by the operations of Trusts and Monopolies, to show how serious this question has become, as affecting the welfare of a nation, and as indicating one of the dangers to be avoided

as far as possible. In the early stages of an industry the importance of such should be grasped, and measures adopted to prevent the growth of evils, the existence of which may demand in the future stringent measures to control.

That Canada is on the borderline is indicated by a statement found in the findings of the Beef Commission. In summing up the result of the investigations, analyzing conditions, and suggesting remedies, the commissioners state:

"In the matter of conditions, we beg to report that we find these in a very chaotic state, being in the transition stage of specialization and having developed in some respect to a semi-monopoly, semi-trust condition, with competition largely eliminated as a regulating principle."

In the case of the meat trade of the Argentine, the business is also carried on by comparatively few firms, working on a large scale; and although at present there is nothing equivalent to the huge "MEAT TRUST" of the States, the tendency is more or less in that direction, and the producer is not directly interested in the development of the trade, or the handling and marketing of his stock, as dressed meats and packing house products.

When the meat export trade as developed and carried on in the Australasian colonies is examined, totally different conditions are found. Not only is the industry conducted on different lines financially, the producer being more directly interested in, and concerned with the handling and marketing of his stock, but the business has also been decentralized to a much greater extent.

When the industry was first started in those countries, in many cases the capital necessary to erect works, provide machinery and handle and market the meat products, was found by the ranchers and farmers themselves; in any district where stock in sufficient numbers were to be found, or were likely to be forthcoming in the near future, the producers formed themselves into a company, subscribed the necessary capital, erected cold storage, and packing plants, handled their own stock, and exported the finished article as refrigerated meats, or packing house products. This means of procedure was rendered possible owing to the fact, that in these countries the agricultural and pastoral pursuits are carried on, under conditions very different to those prevailing in this country, and the financial problems therefore connected with the industry were comparatively simple. The advantages of such a system, where it is possible to adopt it are very great. In the case of Australia and New Zealand, the results have proved eminently satisfactory, and the ranchers and farmers by controlling the business themselves in the manner indicated, have secured the full benefit of a valuable trade. They have at their command a certain outlet for their surplus stock, viz., the British market, the most important meat market in the world; one free from extreme fluctuations, and too large to be easily influenced by the operations of interested individuals or firms. The greater portion of the wealth created by the establishment and development of this meat export trade, has gone directly to benefit the agricultural and pastoral industries in those countries.

Financial conditions in Australia and New Zealand

Distribution of wealth

Government
support and
assistance

In addition to the fact that the financial problems connected with the industry, were largely solved by the ranchers and farmers being in a position to initiate the business themselves, the Governments of the various Australasian colonies, recognizing the vast importance of the industry, and wishing to develop it as rapidly as possible, have one and all encouraged it in various ways. The methods by which they have given support are briefly as follows:

Victoria

The Victorian Government has provided refrigerator cars on its railways, erected cold storage facilities at country stations, and a large depot at Melbourne. That colony has insured an acceptable quality in the exports by a system of inspection, and has also interested itself in getting better freight terms from the steam ship companies, and has even gone so far in some cases, as to attend to the freezing, bagging, packing, and shipping of the goods, paying the freight, and recovering it, together with the charge for freezing, bagging, packing, etc., before delivering the bills of lading to the exporter.

South
Australia

South Australia established an office in 1895 for the export of produce, and its disposal in London, with the special object of finding outlets for small farmers, and helping them to escape the middleman. A depot was established at Adelaide and an office in London, and the Government undertook to slaughter, dress, freeze, ship and sell if desired, and remit the proceeds to the consignor. That Government will, if desired, advance money at 5 per cent. on goods approved for export.

New South
Wales

New South Wales established a board of experts in 1895, to assist the Government in promoting the export of produce. It soon began to furnish cold storage and to inspect, grade and brand, many kinds of produce, and prepare them for the market, and it provided cold storage and shipping facilities much as Victoria does.

Queensland

Queensland encouraged the meat industry by an Act passed in 1893, by which a tax is laid upon each stock owner at the rate of \$3.65 for every hundred of his cattle, and \$0.36 (thirty-six cents) for every hundred of his sheep. This rate to hold good for three years 1893-1896. During the two years succeeding these rates to be cut down to one-third, and at the end of five years the tax to cease. The revenue thus obtained was applied to encouraging the development of the dairy industry, and the meat industry, the meat funds received about twenty times as much as the dairy funds. From these funds the Government made loans at 5 per cent. interest to owners of meat works and dairy factories.

New
Zealand

The New Zealand Government encouraged the meat industry by the slaughtering and inspection Act of 1900, and by the establishment of cold storage warehouses designed to facilitate the export trade, and it also has in contemplation the establishment of meat depots in England, for the sale of New Zealand produce.

Our gov-
ernment

Our Government has been quite alive to the importance of cold storage, as a means of assisting the handling and marketing of perishable products, and in addition to facilitating the transportation of these products, they also passed the Cold Storage Act for the purpose of encouraging the erection of cold storage depots in various centres throughout the Dominion. This Act gives power to subsidize private firms or individuals erecting cold storage accommodation, to the extent of 30 per cent. of the cost of such works. In return for such grants, cold storage has to be provided for the public at rates satisfactory to

the Government, and a certain measure of Government inspection and control is also stipulated for.

We are not aware to what extent this Act has been taken advantage of, and although it would of course be insufficient (both as regards affording the necessary financial assistance and support, and also as safeguarding the interests of the producer) to be applied to such a comprehensive scheme as we are suggesting, still at the same time, it furnishes a clear indication that our Government is willing, and anxious to assist an undertaking of this nature, provided it is for the benefit of the people and the country generally.

The disadvantages of excessive centralization have been avoided in the Australasian colonies, by establishing a large number of comparatively small works throughout the country, rather than centralizing or concentrating the whole business at one or two points. By adopting that method, it is possible to slaughter the stock near their own pastures, thus obviating the many difficulties and objections connected with transporting long distances on the hoof. Distribution of works

The extent to which works have been erected in those countries, and the manner in which they have been distributed, will be better understood, when it is mentioned that in New Zealand, a country less than half the size of Alberta, about 30 separate establishments have been provided with cold storage plants and facilities for slaughtering, and handling for export and also for manufacturing and turning into marketable commodities the various by-products. That same area contained in 1904 1,736,850 head of cattle, 255,320 swine and 18,280,806 sheep. In 1907 FROZEN MEAT to the value of \$16,500,000 was exported, equal to nearly \$18 per head of the population.

There are many other points connected with the initiation and development of the trade in other countries regarding which a thorough knowledge is necessary, before deciding how far the best methods and systems can with advantage be applied to Canada, and without which it is impossible to benefit to the fullest extent. Application to Canada

We have touched upon the financial problems connected with the industry, the question of centralization and also upon the relative merits of the two systems of handling and marketing stock. The other matters about which special knowledge is required are perhaps of a more technical nature, and embrace a wide range of subjects, including the following: Experience of the various kinds and qualities of stock, and a knowledge of the methods of converting them in the most profitable manner, into dressed meats, and packing house products. Acquaintance with modern appliances connected with the various operations of refrigeration and cold storage, and a knowledge of the temperatures most suitable for meat products, during handling, storage and transportation. Experience relating to arrangement and construction of works, and the application of labor saving appliances throughout all departments, from slaughtering to the marketing of the finished article. Without going into further detail, which would result in too lengthy a document, it will probably suffice to state that this report is compiled with full and detailed information on every one of these points and with a complete and technical knowledge of the manner in which the business was initiated and developed in Australia, New Zealand, the Argentine and the United States, and also with a thorough acquaintance with existing conditions in Canada. This unique position is owing to the fact that the members of Experience of the business
Complete information and data

this committee are intimately connected with the stock raising industry, and thoroughly acquainted with the conditions relating to same, and also for the reason that one member of the committee is a specialist in chilling, cold storage, meat packing, and exporting and has had practical experience extending over the past 23 years of the various operations connected with the business, in the countries we have referred to. This expert came to Canada for the express purpose of studying the capabilities of the country for meat production and local conditions regarding the development of a meat export trade.

The information therefore in our possession and forming the basis of this report has not been acquired theoretically or obtained at second hand. It is the result of a thorough knowledge of the stock raising industry, combined with actual experience gained in the management of works, where the various operations of slaughtering, chilling, freezing, meat exporting and packing in all its branches, handling the by products, and transporting and marketing the finished commodities are carried on and from a personal acquaintance with, and supervision of, all the details of the business.

With this knowledge of the industry as outlined above, and with a full appreciation of the existing conditions in this country, we feel we are in an exceptionally strong position to make recommendations for adoption in Canada, which are of practical value, and which if carried out, would prove of great and permanent benefit to agricultural and pastoral industries throughout the Dominion.

Recommendation

Large establishments in conjunction with smaller works

Giving due consideration to the quantity and quality of stock at present in the country, and its distribution over the various Provinces; keeping in mind the increased quantities of stock of improved quality that would soon be forthcoming, and considering also the vast extent of the country, and necessity of developing on an equitable basis all the various stock raising districts, with the greatest benefit to the whole country, thus assisting to the fullest extent the agricultural and pastoral industries throughout the Dominion, we recommend, as the best plan for adoption by Canada, several large establishments working in conjunction with a considerable number of smaller Works, or Feeders, distributed as widely as possible throughout the stock raising portions of the country.

By adopting this method, the necessary capital would be distributed and employed to the best advantage, and an even balance maintained between excessive centralization on the one hand, and too wide a distribution of independent works, resulting in lack of cohesion, on the other. The large central works would be provided with complete appliances for handling stock for export, and also for turning out all the various products of modern packing houses, including chilled meat, bacon, hams, canned meats, lard and lard compounds, oleo and other oils, cured and salted beef and pork, tallow, fertilizers, etc., etc.

They would draw some of their supplies of the raw material from the surrounding country but would also be largely supplied from the smaller works or Feeders. The smaller works or FEEDERS, as we shall call them, would be provided with appliances for slaughtering, chilling, tallow making, and working up certain of the by-products. They would be located in any district where sufficient cattle and hogs were obtainable, or likely to be forthcoming in the near future, thus providing a ready market and enabling stock to be slaughtered and handled near their own

pastures, and so obviating transporting long distances on the hoof. From the Feeders refrigerated meats would be exported directly to foreign markets, or transported in refrigerator cars to the central establishments for further conversion into the various products of the packing house.

By adopting this method, the large works, where the bulk of the skilled labor would be concentrated, would be kept going almost continuously, and the Feeders, should sufficient stock not be available, as would undoubtedly be the case with some of them at certain seasons, could be closed down, with comparatively slight expense and without disorganizing the supply of the more highly skilled labor. Advantages of the scheme

These Feeders should be so designed that they could be readily extended and increased with the growth of the business in any one district or converted into large central establishments to be themselves supplied, in a supplementary way, from other Feeders, as rendered necessary to keep pace with the further opening up and development of the country.

In order to establish at once a thoroughly organized system of chilling and meat packing on the above lines, we consider that the following works would be required: Number and capacity of works

Say 30 FEEDERS distributed over the following Provinces, Alberta, Saskatchewan, Manitoba, Ontario and Quebec, each FEEDER being capable of slaughtering, chilling and handling the principal by-products of 25 head of cattle and 250 hogs daily, (the exact proportions to be varied to meet local conditions).

FIVE CENTRAL DEPOTS, one in each of the above Provinces and to be located at suitable points of railway convergence.

The average capacity of these CENTRAL DEPOTS to be equal to slaughtering and treating 100 HEAD OF CATTLE AND 500 HOGS DAILY, in addition to handling the output from SIX FEEDERS. The exact proportions both as regards numbers of cattle and hogs treated and also as regards supplies from Feeders, to be varied to meet the requirements and producing power of the different Provinces.

General cold storage accommodation for various other perishable products to be provided at each central depot, and at each Feeder.

In order to make such a scheme thoroughly complete, it would be necessary to have in addition to the foregoing works, cold storage facilities at ports of shipments; we therefore suggest providing DEPOTS AT MONTREAL and at some OPEN WINTER PORT, equipped, not only for storing the export output from the inland factories, but also furnished with the necessary COLD STORAGE ACCOMMODATION for all other kinds of perishable products. Cold storage at ports

With regard to cold storage transportation across the Atlantic, we have satisfied ourselves that the necessary accommodation can be obtained to meet present requirements, and that additional shipping space would be readily forthcoming to meet future developments. Shipping facilities

In order to control, in the best and most perfect manner the handling, and transportation of refrigerated meats, etc., it will be essential for such an organization to own and operate a thoroughly equipped and modern refrigerator car service. Refrigerator car service

Control of
operations.

Before dealing with the question of cost, it may perhaps be well to point out that nothing short of a complete and comprehensive scheme can prove a thorough success, achieve the desired results, and be the means of conferring the benefits aimed at. In order to conduct the business properly, and maintain the high order of quality, and uniformity in the finished article, whether chilled beef, or other products of the packing house, essential for building up a sound trade, it is absolutely necessary to control the whole of the operations from start to finish.

A few establishments under separate management, working on different lines, transporting their chilled beef, etc., by refrigerator car service handled, as regards icing and the maintenance of temperatures, on different methods; and without cold storage at port of shipment to guard against loss, and deterioration, owing to unforeseen delays, would not work either as successfully, or as economically as a complete organization large enough to control all operations from slaughtering to marketing of the finished product.

The labor
problem

A few complete plants scattered over the country, would make economical working almost impossible, owing to the difficulties we have mentioned regarding management, and the employment of highly skilled labor; this is a most important point, and one requiring careful consideration and we believe that the scheme we have suggested, is economically sound in that respect, as securing the benefits of centralization without its disadvantages.

Nucleus of
large works

The benefits resulting from a large number of comparatively small works, providing ready market in all stock raising districts, avoiding the transportation of stock long distances and possessing the inestimable advantage of forming the NUCLEUS OF COMPLETE PACKING PLANTS in the near future, as the particular districts developed and proved themselves capable of supporting a large establishment, could not be secured in any other way, than by a thorough and complete system, such as we have recommended.

APPROXIMATE ESTIMATE OF COST OF WORKS, AND CAPITAL REQUIRED TO OPERATE SAME.

- (30) THIRTY FEEDERS, distributed over the following Provinces, Alberta, Saskatchewan, Manitoba, Ontario and Quebec, each with a capacity of 25 head of cattle and 250 hogs daily (the proportion to be varied according to localities) capable of slaughtering, chilling and handling the principal by products. Cost complete say \$50,000 each..... \$1,500,000.
- (5) FIVE CENTRAL DEPOTS, with complete appliances for slaughtering, chilling, handling the by-products and producing all the various products turned out from a modern packing house, including bacon, hams, canned meats, lard and lard compounds, oleo and other oils, cured and salted beef, and pork, tallow, fertilizers, etc., etc., each capable of treating on an average 150 cattle and 1500 hogs daily from Feeders, and 100 cattle and 500 hogs daily from local sources, making a total daily capacity of 250 head of cattle and 2000 hogs, at \$260,000 each..... \$1,300,000.

(1) ONE COLL STORAGE DEPOT (say at Montreal) fitted up for storing meat, etc., awaiting shipment and also with accommodation for all kinds of perishable food stuffs, to cost say.....	\$200,000
(1) ONE COLD STORAGE Depot (at open winter port) similar to the above, but of smaller capacity.....	\$100,000
Land for Thirty Feeders, say 30 ½ sections at \$50 per acre....	\$240,000
Land for five central plants, average \$50,000.....	\$250,000
Land for two depots at ports, say.....	\$200,000
Railway sidings, water supply, drainage, yards, etc.....	\$325,000
Refrigerator cars say 500 at \$1200.....	\$600,000
Fitting up say 100 retail depots for the disposal of Canadian chilled meat and other produce in Great Britain, say	\$200,000
	<hr/> \$4,915,000

The sketch plans which accompany this report, are only intended to give a general idea of the proposed works. They are not to be considered in any way as complete working drawings, but are submitted merely with the object of explaining the scope of the various operations, and for the purpose of giving a better idea of the size and general arrangement of the establishments suggested. Sketch plans

These plans have been prepared by Mr. E. J. Greenstreet, F.A.I.C., an expert in this special class of work, who has had extensive experience in designing and superintending the erection of cold stores, chilling works, and packing plants, in various countries.

In addition to the cost of establishing the works, and providing a complete refrigerator car service, as scheduled above, the necessary working capital for conducting operations would have to be found, and provision would also have to be made for paying interest on a portion of the capital, during the erection of the works, and prior to commencement of operations. Allowing the approximate sum of \$3,000,000 for working capital, preliminary expenses, and interest prior to the commencement of operations, we get a total capital value of say \$8,000,000. Working capital, &c.

The sum of \$200,000 allowed for fitting up retail depots in Great Britain, would not necessarily be needed, and the establishment of such depots is not essential for the success of the scheme. We believe, however, that the value of some means of distribution at the other end would be very great, and would justify the expenditure of that amount. Not only could these depots be worked to advantage in connection with a meat export trade from this country, but they would serve the additional purpose, of acting as a valuable advertising medium for the resources of Canada, and in that respect would prove of great benefit to the country generally. In any case it would probably be found advisable to provide for completing on British soil certain portions connected with the production of mild cured bacon, in order to compete successfully with the home cured article. Retail depots in Great Britain

The total capacity of works, such as we have outlined above, would be equal to handling 1250 head of cattle, and 10,000 hogs daily or (working say 300 days) 375,000 head of cattle and 3,000,000 hogs a year. Assuming that only half that quantity is treated per annum, we estimate, that after allowing for interest and depreciation, working expenses, etc., and with the PRESENT WHOLESALE EXPORT PRICES for hams, bacon, Price to producer

lard, etc., and the PRESENT SELLING PRICE OF CHILLED BEEF ON THE BRITISH MARKET, it would be possible to pay the producer 5 1-2 to 6c PER POUND LIVE WEIGHT FOR PRIME HOGS, and 4 1-2 to 5c FOR WELL FINISHED FIRST CLASS QUALITY STEERS, at the FURTHEST WESTERN POINTS, DELIVERED AT FEEDERS, and proportionately higher prices nearer the East, corresponding to the saving in transportation.

Stock
supply

With regard to the quantity of stock on which we have figured, we think it not unreasonable to assume that cattle equivalent to half the capacity of the works would be forthcoming; the number on which we have based our calculation, viz., 187,500 head of cattle per annum, is only between 2 1-2 and 3 per cent. of the estimated total number of cattle in Alberta, Saskatchewan, Manitoba, Ontario and Quebec, in 1908.

In support of our conclusions that (under proper stimulus) the Canadian herds would easily produce this per centage of cattle for packing house purposes, we may point out that the number of cattle slaughtered and inspected at packing plants, (see Federal Meat Inspection Bulletin issued by U.S. Department of Agriculture 28th Feb., 1908,) in the United States for the year ending 30th June, 1907, was 7,620,000 head: more than 10 per cent of the total herds of the country. Canada should therefore be able to supply at a conservative estimate a further 3 per cent of her herds for packing house purposes making due allowance for the existing packing house business and for the greater proportion of live cattle exported. The figures for the live cattle export trade being about 2 per cent of the Canadian heads, against about $\frac{1}{4}$ of one per cent of those of the United States.

In the case of hogs, the increase as regards breeding is so rapid, that there should be no difficulty in obtaining the necessary supplies in a very short time, and if a satisfactory market could be assured, there can be no possible doubt, about obtaining a sufficient quantity to keep the works going at their FULL CAPACITY.

Future
extension

Considering the stimulus such an outlet would give to the stock raising industry, we believe that in a comparatively short time, it would be found that works such as we have figured on, would have to be increased, and the operations generally largely extended, and we are of opinion that within five or six years, it will be necessary to provide further capital for that purpose.

Govern-
ment
control

Before dealing with the question of finance, there are one or two points of the utmost importance to be considered. In the first place, the absolute necessity of securing for such an important industry a measure of Government control will be recognized by all who have given any thought and study to the subject. Expert meat inspection at the time of slaughtering, in order to secure the condemnation of any carcasses unfit for food, and for the purpose of guaranteeing the fitness of all meat products for food consumption, under Government seal, and a system of branding is of course absolutely essential.

Several ways in which the Governments of other countries have exercised control and assisted in the initiation and development of the industry, have already been touched upon such as running refrigerator cars on their railways, providing cold storage accommodation, arranging transportation facilities by land and sea, assistance in securing and developing markets, and by direct support in the form of financial aid.

The direction however beyond all others, in which a Government can exercise beneficial control of such an industry, is in the avoidance of huge trusts and monopolies, and in securing for the producer a fair share of the wealth created by such an industry. In cases where the business has been long established, and allowed to fall into the hands of a few firms, who become immensely wealthy and powerful with the growth of the trade and who control not only the trade itself but also to a great extent means of transportation and kindred industries, it is a difficult matter to secure an equitable distribution of the wealth produced.

This question of TRUSTS and MONOPOLIES generally is one which at the present time, is being anxiously considered in several countries and further legislation is already contemplated with the object of mitigating some of their evils. Trusts and monopolies

If Canada has fallen behind in the development of a dead meat trade, there are some compensating advantages, the value of which it is hard to over estimate. She is in the favorable position of being able to adopt the best and avoid the worst features, as shown by the experience of other countries, and it is within her power to prevent the evil results of monopoly and so secure for the producer a fair share of the benefits of this important industry.

There are not many ways in which such a scheme could be financed and, if the desirability of Government control be admitted, they can be narrowed down to one or two. Different methods of financing

To leave the matter entirely to individual enterprise has many and obvious objections; in the first place, it would probably mean that the industry would never be established on sound and comprehensive lines, such as we have indicated, and no immediate stimulus would be given to the stock raising industry. On the one hand the capitalist would be waiting for large numbers of finished stock, before locating a packing plant, and on the other hand the farmers and ranchers would be waiting for the establishment of such works, before going in extensively for raising large numbers of cattle and hogs of the necessary quality. The result would be more or less of a dead lock as at present. When in time the industry was developed by private enterprise, it would probably be found that some "MEAT TRUST" had secured control of the trade, and the consequent evils as seen in other countries would therefore be repeated here. Individual enterprise

The plan followed throughout Australasia, by which the necessary capital was found principally by the ranchers and farmers themselves, could not be applied to Canada. In this country, the conditions under which settlement has been carried on are very different. Here the whole of the capital is required for the development of farms and ranches, and is needed in order to bring them to the highest producing state. There is but little available for financing a scheme, for handling and marketing the products of ranch and farm. Even if sufficient capital could be obtained from that source, the country is so vast, and the problems of transportation, management and organization present such difficulties that it would be almost impossible to obtain the necessary business co-operation essential for the success of such a scheme. The Australasian plan

For a similar reason, the co-operative system which has proved such a success in Denmark and which has been applied with such satisfactory results to the dairying and bacon industries in that country, could not be Co-operative system

transferred to, and adopted in Canada without altering and modifying the system to such an extent to suit local conditions, as to rob it of many of its advantages.

Government support and control

There are only two methods by which a scheme such as we are suggesting can be put into practical operation. One is by the DOMINION GOVERNMENT carrying out the work itself and controlling the management. The other is by the Dominion Government assisting in the financing of the undertaking in such a manner that the necessary capital could be readily obtained from outside sources and, in return for such assistance, control the industry, so that the producer would be properly protected, and receive his fair share of the wealth created.

As we think it improbable that the Government will embark in a commercial undertaking of this nature, we have attached to this report, the broad lines upon which we recommend the scheme should be financed, with Government assistance, and operated under Government control.

A Dominion affair

For various reasons, many of which have already been referred to in this report, we have dealt with the DOMINION as a whole, and have not merely considered the needs of the West. We feel that, to look at the matter in a narrow spirit, and suggest measures in a small or tentative way for the benefit of one or two Provinces only would most certainly result in failure—assuming they were adopted. On the other hand if the subject is looked at broadly and comprehensively, if the future of the Dominion is kept in mind, and its agricultural and pastoral needs considered as a whole, we are convinced that the recommendations now put forward, will, if adopted, prove of great and permanent benefit to the whole country.

The reasons for dealing with the Dominion as a whole appear to us overwhelming. An export trade, the basis of the industry, must be continuous, and uniform as regards quality, to be successful. Intermittent supplies, however excellent in quality, can never build up a sound and permanent trade; and only intermittent supplies would be forthcoming under a smaller and less comprehensive scheme than we have suggested. The question of transportation, one of the most difficult problems in this country of immense distances, is alone sufficient to make the affair a Dominion one. If retail depots for the sale of Canadian produce are opened in Great Britain, they should serve as an advertising medium not for one or two Provinces only, but for the resources of the whole Dominion. The assistance of the Dominion Government in financing and controlling the undertaking, could not reasonably be expected unless the proposals were for the benefit of the whole country.

Both cattle and hogs

The reasons for dealing with both cattle and hogs, and handling them together at the same establishment are also particularly strong. Most districts which are capable of raising cattle are able to produce hogs, and it is equally necessary to provide a ready market for both. That cannot be done economically if works for handling cattle and developing an export trade in chilled beef are erected independently of pork packing plants. To handle the two businesses separately and on different lines, would mean that the producer would have to take his cattle to one centre for treatment and his hogs to another—unless two distinct establishments happened to be located at the same point—a contingency not only improbable, but fatal to economical working should it occur.

According to the plan we have recommended, works for treating both cattle and hogs would be distributed as widely as possible throughout the stock raising districts, provision being made for treating a greater proportion of cattle, or a greater proportion of hogs, should the particular locality be exceptionally favorable for the production of one or the other.

It would be practically impossible to build up a packing house industry within the Dominion, unless both cattle and hogs were treated at the same establishment. For the transportation of refrigerated meats and packing house products, (whether obtained from steer or hog) a thoroughly efficient refrigerator car service, controlled as regards temperatures by expert management, is equally necessary.

Another advantage of dealing with both cattle and hogs together, is the fact that the supply of raw material necessary for conducting operations on the scale we have indicated, would be forthcoming in a shorter time and also in greater quantities, and more continuously than would be the case if cattle alone were handled.

In putting forward this scheme it should be mentioned that the probability of the Hudson Bay Railway being built in the near future, has been kept in mind. The suggested distribution of Feeders, general works, and depots at ports would not be interfered with as regards economic operation, by the opening up of that route to the markets of Great Britain, and the working of the scheme would in no way be disorganized. It would only be necessary to provide cold storage facilities at Fort Churchill, and arrange for centralizing a greater portion of the business nearer the West, in order to take advantage of the new route, during that portion of the year that Hudson Bay was open to navigation.

Should the recommendations as contained in this report, appeal to you and your colleagues, it may not be out of place to point out a way, by which the various Provincial Governments could materially assist the undertaking. The establishment of Feeding Stations in connection with the various works, would be of great benefit, not only as assisting directly the production of the right class of cattle and hogs, but would also be particularly valuable from an educational point of view, as providing a convenient way of giving practical instructions, as regards the fattening qualities of various kinds of grain and other foods, and so assisting the work of the Agricultural Departments throughout the country.

The benefits to the producer and country generally that would result from the establishment of a scheme such as we have outlined, would be very great, and can hardly be exaggerated. There is no doubt that it would revolutionize the whole ranching and farming industry: producers would be stimulated to grow more and better stock, it would be well worth their while to finish them properly, and turn off from their respective holdings the maximum amount or number they were capable of producing; and further, instead of impoverishing their land by continued grain growing, they would vastly improve their farms, greatly increase their yields, and at the same time improve their financial position.

Additional employment would be provided and farm labor distributed more evenly throughout the year.

Every inducement would be given to adopt mixed farming more extensively, thus obviating the risks of relying solely on one branch of agriculture, and the net result to the farming industry would be, **THE FINDING OF A PROFITABLE MARKET FOR EVERYTHING THE LAND COULD PRODUCE.**

Many valuable industries, in connection with the general packing house business, would be established, and others depending upon the packing house for their raw material, would speedily follow as a natural sequence. This would mean steady employment for a large and varied class of skilled and unskilled labor in the country, necessary for manufacturing the different commercial articles, and at the same time obviate exporting raw material and importing many of the manufactured articles as at present, which method is economically unsound.

Recapitulation

In concluding this report, it may be well to recapitulate briefly the main points to which we have devoted our attention, and which we have endeavored to place before you as clearly as possible.

1st. In the first place the need of a better market for stock, as shown by the strong feeling existing amongst ranchers and farmers throughout the country. This need has already been recognized by Government and the desire to provide a remedy shown by the appointment of the Beef and Pork Commission—proof of the strong necessity for a more stable and remunerative market, as shown by the slow growth of the stock raising industry throughout Canada, compared to the resources of the country, and the enormous development in other directions—the immense benefit that would result from the establishment of an assured market, and the importance of mixed farming—all these questions have been dealt with.

2nd. Secondly, the failure of existing methods of disposing of the surplus stock, to place the industry on a sound and satisfactory basis—under this head we have also dealt with the disadvantage of relying solely upon the live cattle export trade, and have outlined some of the difficulties in the way of adopting modern methods.

3rd. A review of the methods adopted by other countries for disposing of their surplus meat—this deals with the meat industry in New Zealand, Australia, the Argentine and in the United States and touches on the following points—the benefits resulting to the agricultural and pastoral pursuits owing to the development of the dead meat trade—a comparison of the relative growth of the live cattle trade, and the dead meat trade, and the opinion of experts as to which method will survive. The importance of the British meat market, and Canada's position with regard to a share of that trade, the importance of the packing industry, statistics of live cattle exports from Canada, statistics of exports of packing house products, danger of relying solely on exporting alive owing to possibility of British ports being closed should infectious disease show itself in herds of exporting country.

4th. An examination as to how far the best methods of other countries can be applied to Canada, including a short account of the early history of the industry as showing the difficulties that were encountered in initiating and establishing the trade; the financial conditions under which the meat industry was established in other countries; centralization; de-centralization; trusts and monopolies; distribution of wealth created by the industry; Government assistance and support; necessity for technical

knowledge, and experience of the business generally; complete data and information;

5th. Recommendation for adoption by Canada, including an outline of a complete scheme, small works or Feeders in conjunction with larger establishments; necessity for combining all operations of a modern packing house, including the handling of chilled meat, bacon, hams, canned meats, lard and lard compounds, fertilizers, etc., etc.; number and capacity of works suggested; cold storage at ports; refrigerator car service; control of operations; the labor problem.

6th. Approximate cost of Feeders, for Alberta, Saskatchewan, Manitoba, Ontario and Quebec; approximate cost of central plants; cost of land; cost of refrigerator cars; cost of cold stores at ports of shipment; cost of depots in Great Britain; cost of water supply, drainage, etc.; working capital required; further capital for future extension; problems connected with providing the capital and controlling operations.

7th. Benefits to the producer and country generally.

In respectfully requesting your careful consideration of this report, and the particulars and data presented with it, we have only to add that it has been compiled with a full knowledge of the subject dealt with. It is submitted with the firm conviction that urgent need for action exists, and in the honest belief that the measures suggested will prove of real and lasting benefit to the agricultural and pastoral interests throughout the Dominion and of permanent advantage to the country generally.

We have the honor to be, Sir,

Your obedient servants.

(Signed) FRANK WHITESIDE,

Chairman of Committee
on behalf of members of Committee.

January 5th, 1909.

PROPOSED LINES UPON WHICH TO FINANCE THE UNDERTAKING.

As the "Cold Storage Act" would not meet the requirements of so comprehensive a scheme the following are the lines upon which it is proposed to finance the undertaking with Government support, and under Government control, in such a way that the necessary capital can be readily obtained, and the interests of the producer adequately protected:

1. The capital to be \$8,000,000.
2. The capital to be divided into 12,000 "A" bonds of \$500 each and 20,000 "B" bonds of \$100 each.
3. Every \$100 represented by either "A" or "B" bonds to be entitled to one vote.
4. The "A" bonds to carry say 4 per cent. interest and to be guaranteed by the Dominion Government.
5. The "B" bonds to be treated as ordinary share capital and be entitled to 8 per cent. and this interest to be cumulative.
6. In the allotment of "B" bonds the producer to be given preference.

7. Any further profits available after payment of interest as aforesaid, to be divided equally between the producer and "B" bond-holders.

8. Each producer to participate pro-rata to the value of his stock supplied to the works.

9. The working of the organization to be vested in a Central Board of Directors, having headquarters in Montreal and the Dominion Minister of Agriculture to (if possible) act as Chairman of such Board. The Dominion Live Stock Commissioner to be ex-officio director.

10. Advisory Boards to be formed in each Province. The Provincial Minister of Agriculture to be Chairman of the Board in his particular Province, and the Live Stock Commissioners to be ex-officio directors. The other members of each Board to consist of not less than five (5) men representing the live stock industry.

11. The Dominion Government to have the right of redeeming the "A" bonds at any time at par by giving twelve months notice of their intention to do so.

12. An equitable through-rate from slaughtering to sale in Great Britain to be arranged, and approved of by the Dominion Government, and which any owner would be at liberty to take advantage of and ship on his own account if he so desired, instead of selling out-right at the works.

13. Provision to be made at all depots for the storage of all kinds of perishable products, in addition to that required in connection with the general chilling and packing house business.

14. All stock to be subject to an anti and post mortem inspection by duly qualified Government inspectors, and all produce to bear the official stamp of the Government.

15. All books and vouchers to be open to inspection by duly authorized Government officials at all times.

This would in the first place enable the necessary capital to be readily obtained.

It gives such measure of Government control that the interests of the producer are protected for all time.

It further provides by the power to redeem "A" bonds for complete and entire Government control should it be found necessary or deemed advisable at any time.

All danger of the undertaking being controlled by trusts or monopolies, to the detriment of the producer is avoided by this power to secure control on the part of the Government.

The "B" bonds are in smaller amounts, in order to give the small capitalist or producer an opportunity to secure a financial interest in the undertaking.

The co-operative principle is introduced, as the producer in addition to obtaining the full market price for his stock upon delivery at the works further participates in all profits derived from the manufacture of the produce, after the stipulated interest on capital invested has been paid, thus giving him an interest in the concern, and a fair share of the benefits to be derived from the establishment and development of this industry in the country.

